

Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 185979
ORIGIN STR-07

INFO OCT-01 EA-10 IO-13 ISO-00 SSO-00 NSCE-00 ICAC-00
INRE-00 AGRE-00 CEA-01 CIAE-00 COME-00 DODE-00
EB-08 FRB-03 H-01 INR-10 INT-05 L-03 LAB-04
NSAE-00 PA-01 CTME-00 AID-05 SS-15 ITC-01 TRSE-00
SP-02 SOE-02 OMB-01 DOE-15 AF-10 ARA-10 EUR-12
NEA-10 OIC-02 /152 R

DRAFTED BY SCOFFIELD:STR
APPROVED BY AWOLFF:STR
STATE:TOHERRON

-----032973 230213Z /61

O P 230202Z JUL 78 ZFF4
FM SECSTATE WASHDC
TO USMISSION GENEVA NIACT IMMEDIATE
INFO AMEMBASSY TOKYO PRIORITY

LIMITED OFFICIAL USE STATE 185979

MISSION ALSO FOR U.S. MTN

E.O. 11652:

TAGS: ETRD,GATT

SUBJECT: ARTICLE XXIII ACTION ON LEATHER, JULY 24 GATT
COUNCIL MEETING

REF: GENEVA 11130, STATE 184344

1. ON JULY 21 JAPANESE EMB OFF MASAGO AND TANABE MET WITH
AMBASSADOR WOLFF (STR) TO TRANSMIT "URGENT" INSTRUCTION
FROM TOKYO RE U.S. ARTICLE XXIII:2 COMPLAINT ON LEATHER.

2. AFTER BRIEFLY EXPLAINING SENSITIVITY OF THIS ISSUE IN
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 185979

JAPAN. MASAGO STATED THAT MITI IS NOW IN PROCESS OF SET-
TING UP INDUSTRIAL ASSOCIATION FOR LEATHER NATIONWIDE AND
WOULD BE PREPARED TO DISCUSS INCREASE IN SINGLE U.S. QUOTA
IN AUGUST. HE STATED GOJ HOPE THAT A MUTUALLY SATISFACTORY
RESULT COULD BE REACHED IN THE NEAR FUTURE ON A BILATERAL
BASIS.

3. MASAGO THEN STRONGLY REQUESTED THAT U.S. WITHDRAW ARTICLE XXIII COMPLAINT, STATING THAT IF ISSUE IS DISCUSSED IN A GATT PANEL CONTEXT, JAPAN WILL ALMOST CERTAINLY HAVE TO ELIMINATE SINGLE U.S. QUOTA AND IT WOULD MEAN THE ISSUE COULD NO LONGER BE SOLVED BILATERALLY.

4. AMBASSADOR WOLFF ASKED IF GOJ HAD A SPECIFIC OFFER TO MAKE TO RESOLVE DISPUTE. MASAGO SAID NOT AT THIS TIME. AMB. WOLFF THEN STATED U.S. COULD NOT WITHDRAW ARTICLE XXIII COMPLAINT.

MASAGO THEN READ FUTHER INSTRUCTIONS REQUESTING THAT IF U.S. COULD NOT WITHDRAW COMPLAINT, THAT WE AGREE TO SUSPEND SETTING UP THE PANEL UNTIL NEXT COUNCIL MEETING. AMB. WOLFF REPLIED THAT U.S. WOULD BE PREPARED TO AGREE THAT U.S. WOULD SIMPLY REQUEST ARTICLE XXIII PANEL AT JULY 24 MEETING BUT NOT PUSH FOR ESTABLISHMENT OF PANEL AT THAT MEETING.

IN THAT WAY U.S. AND JAPAN COULD MEET DURING AUGUST AND IF RESOLUTION FOUND, COMPLAINT WOULD BE WITHDRAWN BEFORE PANEL FORMALLY ESTABLISHED.

5. MASAGO AND TANABE RELAYED THAT OFFER TO TOKYO AND RECEIVED RESPONSE JULY 22. AS WE UNDERSTAND IT, THE AGREE-
MENT IS AS FOLLOWS:
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 STATE 185979

A. U.S. REPRESENTATIVE TO GATT COUNCIL WILL GIVE STATEMENT SENT ON JULY 20, WITH CHANGES NOTED BELOW TO DELET REFERENCES TO SINGLE QUOTA, AND REQUEST CHAIRMAN TO ESTABLISH A PANEL TO EXAMINE U.S. COMPLAINT. CHAIRMAN SHOULD BE ASKED TO REPORT ON THE ESTABLISHMENT OF THE PANEL AT NEXT COUNCIL MEETING.

B. MISSION GENEVA SHOULD INFORM GATT COUNCIL CHAIRMAN BEFORE MEETING THAT U.S. WOULD NOT PUSH FOR ESTABLISHMENT OF PANEL AT THIS MEETING BUT WOULD WANT THE FINALIZATION OF THE PANEL MADE AT NEXT MEETING.

6. AS WE UNDERSTAND PROCEDURE, ABOVE WOULD NOT RUN COUNTER TO NORMAL PROCEDURE. GOJ HAS ASKED IF IT IS POSSIBLE TO AVOID A "DECISION" TO SET UP A PANEL ON JULY 24. WE NOTED THE RIGHT OF A COUNTRY REQUESTING A PANEL TO HAVE ONE BUT STATED THAT IT MIGHT BE POSSIBLE FOR CHAIRMAN TO ACCEPT U.S. REQUEST AND TO REPORT ON THE ESTABLISHMENT OF A PANEL AT SEPTEMBER MEETING WITHOUT ACTUALLY SAYING ANYTHING ABOUT A DECISION, WHILE AT THE SAME NOT IMPLYING THAT THERE IS ANY QUESTION ABOUT THE RIGHT OF U.S. TO A PANEL. IT WAS

DECIDED THAT PROCEDURE ON THIS POINT WOULD BE LEFT TO GOJ
AND U.S. OFFICIALS IN GENEVA.

7. ACTION: MISSION GENEVA SHOULD CARRY OUT AGREEMENT AS
STATED IN PARAGRAPH 5 AND SHOULD TRY TO FIND WAY TO MEET
GOJ SEMANTIC PROBLEM WITH DECISION TO ESTABLISH PANEL
WHILE NOT PREJUDICING U.S. VIEWS ON AUTOMATIC RIGHT TO
PANEL.

8. IF STATEMENT OF U.S. NOT YET CIRCULATED, MISSION SHOULD
DELETE REFERENCES TO SINGLE U.S. QUOTA FOUND IN LAST
SENTENCE OF PARAGRAPH 1 OF STATEMENT ENDING SENTENCE AFTER
"EFFECT". PARAGRAPH 3, SENTENCE 3 SHOULD READ QUOTE IN
THIS REGARD, THE GOJ HAS REFUSED TO GIVE ANY INDICATION
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 STATE 185979

OF THE AMOUNT OF THE QUOTA END QUOTE.

9. WITH RESPECT TO GOJ COMMENTS ON XXIII:1 PROCEDURES
REFTEL, YOU SHOULD REMIND THEM THAT GOJ, BOTH IN WASHINGTON
AND TOKYO, WAS TOLD THAT MAY CONSULTATION WAS PURSUANT TO
XXIII:1. WASHINGTON HAD PREPARED SUBMISSION TO GATT BUT
DID NOT SUBMIT IT ON SPECIFIC REQUEST OF GOJ OFFICIALS IN
WASHINGTON. AT THAT TIME IT WAS MADE CLEAR THAT WE WITH-
HELD ON THEIR REQUEST TO AVOID PUBLICITY BUT THAT IF THE
CONSULTATION WAS NOT SUCCESSFUL, IT WOULD BE CONSIDERED AS
MEETING THE REQUIREMENTS OF XXIII:1. GOJ DID NOT OBJECT
AND IF THEY BRING THIS ISSUE UP AT THE GATT COUNCIL MEETING
WE WILL CONSIDER IT BAD FAITH ON THEIR PART. IF ISSUE
RAISED AT COUNCIL MEETING U.S. REP. MAY BRING OUT ABOVE
FACTS AS PART OF DISCUSSION. U.S. REP. MAY ALSO MAKE
POINT, IF APPROPRIATE, THAT THIS ISSUE HAS BEEN THE SUBJECT
OF NUMEROUS DISCUSSIONS AT ALL LEVELS, INCLUDING DIRECTLY
BETWEEN AMBASSADOR STRAUSS AND MINISTER USHIBA. U.S. REP.
MAY NOTE THAT WE HAVE MADE EVERY EFFORT TO REACH A
BILATERAL SOLUTION OVER THE PAST 9 MONTHS AND THAT DESPITE
OUR PATIENCE, THERE HAS BEEN NO RESOLUTION.
VANCE

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: LEATHER, MEETINGS
Control Number: n/a
Copy: SINGLE
Draft Date: 23 jul 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE185979
Document Source: CORE
Document Unique ID: 00
Drafter: STR
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780302-0663
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780729/aaaaaymr.tel
Line Count: 158
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 7545f96d-c288-dd11-92da-001cc4696bcc
Office: ORIGIN STR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 GENEVA 11130, 78 STATE 184344
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1912904
Secure: OPEN
Status: NATIVE
Subject: ARTICLE XXIII ACTION ON LEATHER, JULY 24 GATT COUNCIL MEETING
TAGS: ETRD, GATT
To: GENEVA
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/7545f96d-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014